

Message Text

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PAGE 01 COLOMB 03160 240111Z

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C O R R E C T E D C O P Y (MRN 3160 VICE 3161)

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TAGS: EGEN, PFOR

SUBJECT: MULTILATERAL AFFAIRS: ECONOMIC ISSUES AT THE NON-ALIGNED
SUMMIT

REF: COLOMBO 3123

1. INTRODUCTION: WHILE FOREIGN MINISTERS AND HEADS OF STATE
CONTENDED OVER BILATERAL AND REGIONAL ISSUES
IN OTHER ROOMS, ECONOMIC SPECIALISTS ON NAC DELEGATIONS
PLODDED ACROSS THE BROAD TERRAIN OF INTERNATIONAL
ECONOMIC ISSUES WITH FEW FIREWORKS BUT SOME SERIOUS
CONCERNS. THE CONFERENCE WAS NOT THE SITE FOR A MAJOR
RETHINKING OF ECONOMIC PROBLEMS AND WITH THE EXCEPTION
OF SRI LANKA'S TWO INITIATIVES, SAW NO NEW IDEAS
EMERGE. BUT THE ECONOMIC DELEGATES HAD LITTLE TIME TO
ENJOY COLOMBO. THEY ENGAGED IN A JAMOR REVISION OF THE
DRAFT TEXTS, INCLUDING CONSIDERABLE TRIMMING BACK OF
VERBIAGE. THE RESULTING DOCUMENTS WERE RELATIVELY
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PAGE 02 COLOMB 03160 240111Z

PRAGMATIC IN TONE, FOCUSED ON THE CONCRETE AND --

WITHIN NON-ALIGNED TERMS--THE PRACTICAL. AS ONE POLITICAL DELEGATE SAID CONTRASTING THE WORK OF THE POLITICAL AND ECONOMIC HALVES OF THE CONFERENCE, THE LATTER HAD TO STICK TO THE REAL WORLD. FOLLOWING ANALYSIS BASED ON DISCUSSIONS WITH DELEGATES AND PRELIMINARY REVIEW OF TEXTS AS THEY ARE AVAILABLE TO US AT CONFERENCE CLOSING.

2. POLITICAL INTERESTS: ECONOMIC WORK FELT THE IMPACT OF TWO POLITICAL IMPULSES. FIRST, LANGUAGE WAS INTRODUCED LINKING ECONOMIC DEVELOPMENT TO THE POLITICAL STRUGGLE AGAINST THE NON-ALIGNED ENEMIES OF "AGGRESSION, OCCUPATION RACISM," ETC. THIS PERCEPTION ALSO RESULTED IN A PARALLEL AMENDMENT TO THE POLITICAL DECLARATION INSERTING A NEW SECTION ON "POLITICS AND ECONOMICS." THE INCLINATION OF NAM TO SUBORDINATE ECONOMIC TO POLITICAL GOALS SERVES TO DISTINGUISH IT FROM GROUP OF 77.

3. SECOND POLITICAL ASPECT OF THE ECONOMIC COMMITTEE AND DRAFTING GROUP WORK WAS THE INTENSE FOCUS ON THE STATE OF NORTH-SOUTH DIALOGUE AND THE URGENT CALL FOR PROGRESS IN THE VARIOUS NEGOTIATING FORUMS. NEW LANGUAGE ON THIS SUBJECT WAS INTRODUCED IN BOTH THE ECONOMIC DECLARATION AS WELL AS IN THE ACTION PROGRAM AS A RESULT OF CONFERENCE DELIBERATIONS. CONFERENCE PARTICIPANTS REVEALED A CLEAR WILLINGNESS TO PURSUE THE DIALOGUE IN PARIS AND IN UNCTAD FORUMS. A DRAFT CUBA RESOLUTION CRITICAL OF CIEC AND CALLING FOR ITS TERMINATION BY DECEMBER 31ST WAS REJECTED. SIMILARLY, ORIGINAL PROPOSED LANGUAGE CONCERNING PWKIS HAD DESCRIBED THE CONFERENCE AS A "FAILURE"; THE FINAL TEXT "NOTES WITH ANXIETY THAT NO HEADWAY HAS BEEN MADE." THE TEXT ENDS WITH UNSPECIFIED THREAT THAT "THE TVBVELOPING COUNTRIES WOULD RECONSIDER THEIR ATTITUDES SHOULD THE PARIS CONFERENCE FAIL." PEREZ GUERRERO TOLD CANADIANS IN COLOMBO THAT HE CONSIDERED THE NAC RESULTS GAVE HIM MANDATE TO CONTINUE NEGOTIATIONS IN PARIS.

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PAGE 03 COLOMB 03160 240111Z

4. WHILE THE NON-ALIGNED WERE PREPARED TO MOVE ALONG THE CHANNELS WHICH HAVE BEEN FORGED, THEY HAD LITTLE FAITH THAT SIGNIFICANT PROGRESS WOULD BE MADE. DISCUSSING CONFERENCE WITH ECONOMIC COMMITTEE RAPPOREUR HOSNY (EGYPT) SUMMED UP MOOD OF NAC ECONOMIC TALKS IN THESE WORDS, "WE WERE LESS EMOTIONAL THAN AT ALGIERS, BUT MUCH MORE SERIOUS."

5. THEMES AND ISSUES: ADHERENCE TO THE NEW INTERNATIONAL ECONOMIC ORDER (NIEO) IS A RECURRING THEME OF THE CONFERENCE DOCUMENTS, LOOMING MUCH LARGER THAN IT HAD IN THE ORIGINAL TEXT. THE CONFERENCE PARTICIPANTS HAVE TAKEN THIS OCCASION TO REAFFIRM THEIR COMMITMENT TO THIS GLOBAL PROGRAM AND THEIR DETERMINATION TO MARCH UNDER ITS BANNER. MORE SPECIFICALLY, COMMODITIES ISSUES CONTINUE TO BE PRINCIPAL CONCERN. PRODUCERS ASSOCIATIONS HAVE BEEN ENCOURAGED, AND IN AN INTERESTING TEXTUAL DEVELOPMENT, THE WORD INDEXATION SAW THE LIGHT OF DAY IN THE FINAL TEXT IN PLACE OF AN EARLIER REFERENCE TO "INSURING FAIR AND REMUNERATIVE PRICES." THE NON-ALIGNED BUFFER STOCK COMMON FUND IS NOW EXPLICITLY DESCRIBED AS A FALLBACK IN CASE THE "UNCTAD COMMON FUND FAILS TO FIELD SATISFACTORY RESULTS BY MARCH 1977." THE PROBLEM OF LDC DEBT BURDEN WAS THE SECOND MOST PROMINENT TOPIC. THE ACTION PROGRAM CALLS FOR A MINISTERIAL CONFERENCE OF THE NON-ALIGNED AND "OTHER INTERESTED DEVELOPING COUNTRIES" IN THE FIRST HALF OF 1977 SHOULD THE PARIS TALKS FAIL TO REACH A SATISFACTORY CONCLUSION ON THIS SUBJECT.

6. TWO BROADER ISSUES OF AN ECONOMIC NATURE WERE ALSO TREATED AT LENGTH BY THE CONFERENCE. THE CONFERENCE REJECTED SRI LANKA'S EFFORT TO DESCRIBE THE ECONOMIC PROBLEMS OF THE DEVELOPING COUNTRIES AS RESULTING FROM THEIR INTERNAL CONDITIONS. THIS IDEA WAS ELIMINATED FROM THE FINAL TEXT AND REPLACED BY THE STANDARD THEME THAT UNDERDEVELOPMENT WAS THE CONSEQUENCE OF THE INTERNATIONAL ECONOMIC STRUCTURE.

CONFIDENTIAL

PAGE 04 COLOMB 03160 240111Z

SECONDLY, THE ECONOMIC COMMITTEE/DRAFTING GROUP SURPRISINGLY SPENT HOURS DEBATING TURNS OF PHRASE WHICH TOUCHED ON THE RELATIONSHIP BETWEEN THE DEVELOPING COUNTRIES AND THE SOVIET UNION. THERE WAS A BROAD INCLINATION TO POINT THE FINGER AT THE SOVIET UNION AS WELL AS AT THE INDUSTRIALIZED WEST WITH REGARD TO AID FLOWS, TRADE BENEFITS, ETC. PROPONENTS OF SUCH TEXTS WERE COUNTERED BY ADHERENTS TO THE SOVIET LINE THAT ONLY THE WEST HAD OBLIGATIONS TO THE DEVELOPING COUNTRIES BECAUSE OF THEIR HISTORIC EXPLOITATIVE RELATIONSHIP. THE FINAL TEXTS IN SEVERAL PLACES REVEAL A CAREFUL DRAFTING EXERCISE AIMED AT INCLUDING THE SOVIET UNION WITHOUT EXPLICIT REFERENCE.

7. INTRA-LDC ISSUES (A) RELATIONS WITH G77:

AS WE HAD BEEN LED TO BELIEVE AS THE CONFERENCE
OPENED, THE PARTICIPANTS IN THE NON-ALIGNED MOVEMENT
SEE THEMSELVES EXCLUSIVELY AS A SUB-GROUP OF
THE GROUP OF 77 ON ECONOMIC ISSUES. NEW LANGUAGE
WAS INCORPORATED IN THE ECONOMIC DECLARATION MAKING
THIS RELATIONSHIP EXPLICIT* "THE NON-ALIGNED MOVEMENT
SHALL CONTINUE TO MAINTAIN AND STRENGTHEN ITS
SOLIDARITY WITH THE GROUP OF 77 WHICH AS TODAY
EMERGED AS A REAL FORCE OF COUNTERVAILING AUTHORITY."
(?) RELATIONS WITH OPEC: THERE WERE FEW SIGNS OF
FRICTION WITH REGARD TO OPEC/NON-OPEC RELATIONS. WE NOTE
THAT SEVERAL REFERENCES IN EARLIER DRAFTS
WERE THE DISTINCTION BETWEEN OIL AND NON-OIL
DEVELOPING COUNTRIES WAS DRAWN HAVE BEEN ELIMINATED
FROM THE FINAL TEXT. AT THE SAME TIME, NAM MEMBERS
CONTINUED TO TURN TO OPEC TO FINANCE THEIR FAVORITE
PROJECTS. THIS WAS RECOGNIZED TO BE THE ESSENCE
OF THE SRI LANKA BANK PROPOSAL, AND MARRIED THE APPEALS
FOR CONTRIBUTIONS TO THE SOLIDARITY FUND FOR
SOUTHERN AFRICA AND FOR CAMBODIA, LAOS, AND VIETNAM. AS FAR
AS WE CAN DETERMINE, HOWEVER, THE NON-ALIGNED SOLIDARITY FUND
WAS OMITTED FROM THE FINAL DOCUMENTS. (C) THE LDC "SPECIAL
CASES" WERE ACTIVE IN PURSUING THEIR PA-
RTICULAR INTERESTS.
THE LANDLOCKED WERE PARTICULARLY BUSY BUT THE "MOST
SERIOUSLY AFFECTED" AND OTHER SUB-GROUPS WERE
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PAGE 05 COLOMB 03160 240111Z

SUCCESSFUL IN GETTING DRAFT LANGUAGE TO RECOGNIZE
THEIR SPECIAL PROBLEMS. MOST NOTEWORTHY, PERHAPS,
WAS THE PROVISION THAT THE IMPLEMENTATION OF THE
INTEGRATED PROGRAM OF COMMODITIES SHOULD "INSURE THAT
THE INTEREST OF DEVELOPING COUNTRIES, PARTICULARLY
THE LEAST DEVELOPED AND THE MOST SERIOUSLY AFFECTED
AMONG THEM AND THOSE LACKING IN NATURAL RESOURCES,
ADVERSELY AFFECTED BY MEASURES UNDER THE INTEGRATED PROGRAM,
ARE PROTECTED BY MEANS OF
APPROPRIATE, DIFFERENTIAL, AND REMEDIAL MEASURES WITHIN THE
PROGRAM." (THE TORTUOUS LANGUAGE GIVES
AMPLE DISPLAY OF THE INNER WRANGLINGS OF THE NAC'S
ECONOMIC HALF.)
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